

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** SB541

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Stosch

**3. Committee** General Laws and Technology

**4. Title** Public-Private Education Facilities and Infrastructure Act; review and implementation of qualifying proposals

**5. Summary/Purpose:**

Requires the review of qualifying projects under the Public-Private Education Facilities and Infrastructure Act (PPEA) by the appropriating body, which is the body responsible for appropriating or authorizing funding for the project. The bill provides that any aspects of an interim or comprehensive agreement requiring an appropriation or continuing appropriation shall not be developed or operated by a private entity until such time that the appropriation is approved by the appropriating body. The bill also requires that the guidelines that must be adopted by responsible public entities include provisions for (i) the financial review and analysis of the proposed qualifying project and the disclosure of such analysis to the appropriating body, (ii) consideration of nonfinancial benefits of a proposed qualifying project, and (iii) a mechanism for the appropriating body to review the proposed interim or comprehensive agreement before it is finalized. In addition, the bill establishes the Public-Private Partnership Advisory Council to review and advise the Governor and responsible public entities on the terms and conditions of proposed interim and comprehensive agreements. The bill contains technical amendments.

**6.** Fiscal impact cannot be specifically determined. See Item 8.

**7. Budget amendment necessary:** No

**8. Fiscal implications:** There will be some additional costs associated with this proposal. The proposal creates a new Public-Private Partnership Advisory Council of seven members to advise the Governor and public entities on the terms and conditions of proposed interim and comprehensive agreements. Assuming this council meets four times a year for a day, the annual costs for travel and expenses of the council members will be about \$4,200. There will also be costs for the administrative support provided to the council by the Department of General Services (DGS). The amount of these costs cannot be specifically determined but DGS could be reimbursed by the benefiting agency from the review fee submitted by the vendor.

**9. Specific agency or political subdivisions affected:** All public bodies, Department of General Services

**10. Technical amendment necessary:** No

**11. Other comments:** None

**Date:** 01/23/06 / amk

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cc: Secretary of Administration